



MEMORANDUM

DATE: April 20, 2004

TO: Vice Mayor Dean Chu
Councilmember Fred Fowler
Councilmember Melinda Hamilton
Councilmember Otto Lee
Councilmember Julia Miller
Councilmember Ron Swegles

FROM: Mayor John Howe

SUBJECT: Report from the Mayor's Committee on New-car Autodealers

REPORT IN BRIEF

In December of 2003, I attended a business visitation at Toyota of Sunnyvale. During my conversation with the General Manager, I discovered how important this industry group is to the City. I asked staff to set up a meeting with all the Sunnyvale new-car autodealers to discuss how the City can work with this important business group. The meeting was held on January 29, 2004. At the meeting I appointed a Mayor's committee to meet with each of the new-car dealers.

Attached is the report of the three-member Mayor's committee that I appointed to recommend action items regarding the new-car autodealers. The report lists action items that could be accomplished by staff without Council direction and action items that require a policy change and need to be discussed by the entire City Council.

BACKGROUND

On January 29, 2004, I convened a meeting with the Sunnyvale new-car autodealers. At that meeting, I appointed a Mayor's committee comprised of Councilmember Ron Swegles as Chair, Councilmember Julia Miller and Planning Commission Chair Laura Babcock. The Mayor's committee was tasked with looking into how the City can partner with new-car autodealers to strengthen their businesses. The Mayor's committee was also asked to identify concerns new-car autodealers have and what the City can do to address those concerns.

The Mayor's committee met with the general managers or, in some cases the owners, of 11 of the 12 Sunnyvale new-car autodealers. Based on the conversations with the autodealers, the Mayor's committee is recommending several action items.

The table in the report lists two types of action items: (1) those that can be implemented by staff as part of their normal operations, and (2) those that require some form of policy direction by the City Council. Staff has already implemented some of the former action items as shown on the table in the report.

DISCUSSION

The Mayor's committee and new-car autodealers met a total of three times. The Mayor's committee met the majority of the new-car autodealers at the first meeting. They then met one-on-one with the new-car autodealers and met again with the entire new-car autodealers group a final time to discuss their findings and discuss their recommendations. The purpose of all the meetings was to partner with new-car autodealers to determine how this important industry group can increase sales and therefore increase the sales tax revenue for the City.

The action items (discussed in the attached Mayor's committee report) that were able to be accomplished without Council direction are:

1. Formation of a Sunnyvale Autodealers Association

- New-car autodealers formed an association on March 10, 2004.

2. Update the new-car autodealers on current sign code and sign opportunities

- New-car autodealers needed to fully understand what is currently allowed under the current sign code. Planning staff made a brief presentation to the autodealers at their third meeting with the Mayor's committee. Planning staff offered to meet with each auto dealer to answer specific questions pertaining to their location. Planning staff has been working with Sunnyvale Toyota and recently approved Sunnyvale Toyota's signs for their new facility. Another new-car autodealer contacted Planning staff to discuss their sign options for their façade improvement project. Staff will continue working with this autodealer on the permitting process for the façade improvements as well as the proposed signs.

3. Allow a "yearly" or monthly permit for special events/temporary signs

- A "yearly" permit for special events/temporary signs is allowed under

the current code. Some autodealers were under the impression that they needed to apply for each event separately. Staff informed the new-car autodealers at their third meeting with the Mayor's committee they could apply for a "yearly" permit. They can apply for a maximum of eight individual special events/temporary sign permits for pre-determined dates with a maximum of 72 days per calendar year at the same time. They also have an option of applying for multiple permits for a maximum of two-30 day permits per calendar year. Temporary signs include banners, streamers, character balloons and bounce houses. The fees would be determined based on the number of special events/temporary sign permits.

4. Allow autodealers to have large American flags at their locations

- Staff informed autodealers that non-commercial flags (e.g. California or American flags) are allowed by the Municipal Code provided that: flags do not exceed three (3) per parcel, each flag pole does not exceed 30 feet in height, and the flag's lateral dimensions do not exceed 25% of the flag pole.

5. Use City's communication tools to promote autodealers

- I discussed with staff the likelihood of including article in the Quarterly Report. Staff was able to accomplish this task without Council action and developed a "Sunnyvale Auto Row" map. The map, along with a brief paragraph regarding the importance of supporting local businesses was included in the Spring 2004 Quarterly Report. The Mayor's committee recommends and I concur that additional City tools not be used, as this may be perceived as the City favoring the autodealers.

6. Landscaped berm on El Camino Real median (between Mathilda & Pastoria) is very high and blocks the westbound traffic's visibility of the businesses on the opposite side of El Camino.

- Public Works staff, as part of their scheduled median maintenance on El Camino Real, trimmed the ivy and trees, which allows greater visibility of the businesses.

7. Tent Sale. This should be in cooperation with credit unions

- The Autodealers Association will be leading this effort. Staff will assist the association by introducing the association to the credit unions that serve Sunnyvale and will assist the association with the permitting process for the event.

The following action items require Council direction as they require a policy change:

1. Revive the "Autodealers Decorative" banner program

- On February 27, 1996, Council approved an "Autodealership Banner Program" to allow a one-year pilot program for autodealers along El Camino Real. The intent of the program was to create a harmonious and unified streetscape, which coordinated with the public banner program located in the median of El Camino Real, while at the same time strengthening the collective identity of Sunnyvale's autodealers. The first set of banners was part of the "Shop Sunnyvale" campaign used by the autodealers. The program was reviewed again on February 25, 1997 and was extended to November 1997. The program was not extended beyond 1997.

The table below illustrates the regulations and requirements that were associated with the pilot program in 1996:

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| Quantity —1 decorative banner per 30 feet of street frontage |
| Size —Minimum of 8 sq. ft., maximum of 16 sq. ft. (Standard size banners measure approximately 24 x 60 inches (10 sq. ft.) or 28 x 72 inches (14 sq. ft.)) |
| Height —Minimum mounting height of 9 feet from top of curb |
| Separation —Minimum 10 feet distance between banners |
| Duration —Maximum of 6 months for a given set of banners; up to a maximum of 4 sets of banners in a 12 month period. (Note: Some banners continue to be displayed by the autodealers.) |
| Location —entirely on private property |
| Maintenance —High quality materials and hardware are to be used in combination with prompt maintenance |
| Cost —Autodealers pay for banners |
| Participation —Requires participation of minimum of 51% of automobile dealers located on El Camino Real |

The Mayor's committee is recommending that Council look at reviving a program similar to the pilot program approved in 1996 and 1997. The program can be proposed as a temporary program or as a permanent change. Permanent change requires changes to an ordinance. I recommend that staff begin work this calendar year to

develop an ordinance to allow the decorative banners as an additional pilot program or as a permanent program and ask staff to come back with a list of work items that will not be accomplished as a result of working on this issue.

2. Signs on Highways 85 and 280 and Lawrence Expressway

- Staff contacted Caltrans and the County to inquire if signs reading "Sunnyvale Auto Row" could be added at the intersections of Highway 85 and El Camino Real and Lawrence Expressway and El Camino Real. Both the County and Caltrans stated that they do not allow private advertisement on County or State right of way and would only allow "Sunnyvale Auto Row" signs if the official name of El Camino Real became "Sunnyvale Auto Row". The Council would have to change the name through a resolution.

Staff indicates this option does not seem feasible. They informed me that other jurisdictions have been able to accommodate autodealers' street name change requests because, the area is usually where auto dealers have concentrated and there are no or at least very little other types of businesses around the autodealers. El Camino is peppered with different types of businesses and changing the name of El Camino Real to "Sunnyvale Auto Row" could potentially create a major burden on the non-autodealer businesses located on El Camino Real.

If Council wants to consider this item, I would recommend that staff write a letter to Caltrans and the County Board of Supervisors as recommended by the Mayor's committee and continuing pursuing this item.

3. Pursue Modification to landscaping requirements to allow more display area and revisions to the Sign Code to allow balloons during weekdays; allow a higher number of signs per parcel; increase the size of free standing signs; and/or allow more than one attached sign per parcel

- The Mayor's committee is recommending that the Council discuss this item. I understand that the Mayor's committee sees this as a valuable retention tool and that they are recommending that we look at this item immediately. Staff indicates that this item would require a large amount of staff work. Due to the complexity of these issues, I recommend that this be divided into two issues and a study issue paper be written on the modification to landscape requirements for consideration at our Study Issue workshop in December 2004. I would also recommend that staff begin working on the revisions to the sign code this calendar year and ask them to come back with list of work items that will not be accomplished as a result of working on this item.

PUBLIC CONTACT

New-car autodealers were notified that this item is scheduled for Council consideration. Additional public contact was made through posting of the Council agenda on the City's official notice bulletin board, posting of the agenda and report on the City's web page, and the availability of the report in the Library and the City Clerk's Office.

ALTERNATIVES**1. Revive "Autodealers Decorative" banner program:**

- A. Recommend this item for Council sponsorship for December 2004 Study Issue process.
- B. Direct staff to develop an ordinance to allow the decorative banners as an additional pilot program or as a permanent program and ask staff to come back to Council on which other work items will not be accomplished as a result of working on this item.
- C. Do not continue efforts on this item.

2. Signs on Highway 85 and Lawrence Expressway:

- A. Do not continue efforts on this item.
- B. Direct staff to continue pursuing this item and a letter with my signature be sent to Caltrans and the County Board of Supervisors as recommended by the Mayor's committee.
- C. Recommend this item for Council sponsorship for December 2004 Study Issue process.

3. Pursue modification to landscaping requirements:

- A. Recommend this item for Council sponsorship for December 2004 Study Issue process.
- B. Direct staff to begin working on this item this calendar year and ask staff to come back to Council on which other work items will not be accomplished as a result of working on this item.
- C. Do not continue efforts on this item.

4. Pursue revisions to the Sign Code:

- A. Recommend this item for Council sponsorship for December 2004 Study Issue process.
- B. Direct staff to begin working on this item this calendar year and ask staff to come back to Council on which other work items will not be accomplished as a result of working on this item. .

ATTACHMENT A

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C. Do no continue efforts on this item.

5. **Accept the Mayor's committee's report with no changes.**

RECOMMENDATION

I recommend that Council accept alternatives: 1B, 2B, 3A, and 4B.